

THE BOSTANY LAW FIRM

40 WALL STREET

61ST FLOOR

NEW YORK, NEW YORK 10005-1304

TEL: 212-530-4400

FAX: 212-530-9488

NEW JERSEY OFFICE

ONE GATEWAY CENTER
NEWARK, NJ 07102

August 17, 2007

UPS AIR

Jeff Cohen, Co-Chairman
XOXO
126 5th Avenue, 4th Floor
New York, New York 10011

Re: CHARLOTTE® Trademark Infringement

Dear Mr. Cohen:


We represent GMA Accessories, Inc., the owner of the registered trademark CHARLOTTE® in various classes including handbags. A copy of the current title and status of this registration is attached. It has come to our attention that your company is marketing and selling a handbag named CHARLOTTE without permission from the trademark owner.

We demand that you immediately cease and desist all use of the CHARLOTTE® brand name. Provide me with certification within 7 days of your receipt of this letter that you have stopped purchasing, selling, marketing, advertising, distributing or transferring products bearing the CHARLOTTE® mark. Within 14 days of your receipt of this letter we demand that you provide us:

- (1) a list of all items that you have purchased, advertised, and/or sold that in any way incorporate GMA's Charlotte® brand name;
- (2) the quantity sold of each; the purchase and sale price; and your remaining inventory.

If you fail to comply we will be forced to enforce the trademark owner's rights in court.

Very truly yours,


Adrienne S. Raps

Enclosure

GMA 34733

HIGHLY CONFIDENTIAL



accessory exchange

August 30, 2007

Ms. Adrienne S. Raps
The Bostany Law Firm
40 Wall Street
61st Floor
New York, NY 10006

Dear Ms. Raps,

I am in receipt of your letter dated August 17, 2007 regarding your client's registration of the Charlotte trade name for handbags.

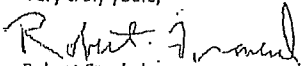
Accessory Exchange LLC is the licensee for XOXO handbags. Each season, our company creates dozens of new collection groups. Each collection group contains an assortment of style bodies and colors. In order to internally identify our products, we assign a unique name to each collection group. Although these names are discreetly printed on the back of our product hang tags, they are listed solely for in-house recognition purposes. A copy of a hang tag for the "Connie" collection group is enclosed as an example.

Retail customers are unaware of our collection group names. Individuals purchase our products because of the fashion forward designs and the XOXO brand name recognition. Given the extent of our branding efforts through XOXO hangtags, signature designs, identifying hardware and other efforts, I cannot imagine that consumers would think that they were purchasing anything other than an XOXO handbag.

The Charlotte collection group was designed for the fall 2004 selling season. The entire inventory was purchased in 2004 and most of the product was distributed during that year as well. We completed the final closeout sales of that group in 2006. We have no Charlotte inventory at the present time, and we will not be purchasing additional products under that collection group name.

Our company was not seeking to associate our products with your client's Charlotte trademark products. In fact, our mission is to expand the XOXO brand. I trust this satisfies your inquiry.

Very truly yours,


Robert Frankel
VP - Operations

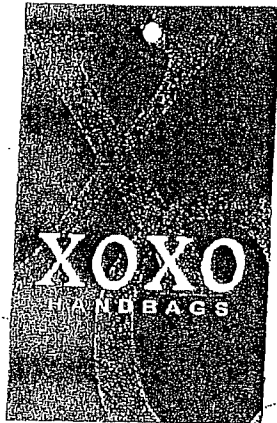
Cc: Jerry Dimbach
Earthbound LLC
126 Fifth Avenue
4th Floor
New York, NY 10011

BAG BAZAAR • WHATEVER • XOXO

1 EAST 33RD STREET • NEW YORK, NY 10016 • (TEL) 212-689-3500 • (FAX) 212-686-2006 • www.aeny.com

GMA 34734

HIGHLY CONFIDENTIAL



XOXO
CONNIE
STYLE NO COLOR
58473 FUCHSIA/BLACK

047417-58473-0

Suggested Retail
\$34.00

GMA 34735

THE BOSTANY LAW FIRM

40 WALL STREET
61ST FLOOR
NEW YORK, NEW YORK 10005-1304

TEL: 212-530-4400

FAX: 212-530-1166

NEW JERSEY OFFICE

ONE GATEWAY CENTER
NEWARK, NJ 07102

September 11, 2007

VIA UPS

Robert Frankel
VP – Operations
Accessory Exchange
1 East 33rd Street
New York, NY 10016

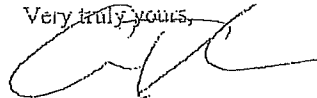
Re: CHARLOTTE®

Dear Mr. Frankel:

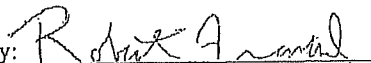
It is our understanding from your letter dated August 30, 2007 that Accessory Exchange has ceased all use of the CHARLOTTE® mark.

Please acknowledge that Accessory Exchange will not make use of the CHARLOTTE® mark on any future goods or advertising of any kind by signing and dating below and sending this pledge back to me at your earliest convenience.

Very truly yours,



Andrew T. Sweeney

By: 

Robert Frankel
VP – Operations
Accessory Exchange
1 East 33rd Street
New York, NY 10016

Dated: 9/17/07

GMA 34736